

May 2000



North Dakota REV-E-NEWS

**From Rod Backman, Director
Office of Management and Budget
600 E. Blvd. Ave. , Dept 110 - Bismarck, ND 58505-0400**

Revenue collections are now \$13.8 million ahead of projections for the biennium. April collections fell short of projections by \$550,194, however, that follows a month of revenue collections that were \$9.4 million over projections. Overall, we believe revenues are in good shape.

April's unemployment rate was 2.7 percent, the lowest April rate since 1958.

North Dakota's unemployment rate for April was 2.7 percent, which is the lowest April rate since 1958. Non-agricultural wage and salary em-

ployment was up over the year in six of the nine major industries. The largest gain over the year was in finance, insurance, and real estate. Construction had the largest decrease.

Regional Financial Associates (RFA) is currently working on the preliminary revenue forecast which will be the first look at the revenue picture for the 2001-03 biennium. We anticipate getting information from RFA by the end of May; meeting with the Advisory Council on Revenue Forecasting in June, and finalizing the preliminary forecast by the end of June or early July.

Oil Activity

North Dakota currently has 13 oil rigs operating compared to two one year ago. Oil production in March averaged approximately 90,867 barrels per day.

The current price of oil is about \$25 per barrel. North Dakota sweet crude averaged \$21.33 in April compared to the forecast price of \$11.12 per barrel.

Comments or Questions???

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STATEMENT OF GENERAL FUND REVENUES AND FORECASTS
1999-01 BIENNIUM
APRIL, 2000

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	Legislative Forecast	Actual	Variance	Percent	Legislative Forecast	Actual	Variance	Percent
Sales Tax	\$ 20,444,000.00	\$ 16,248,630.01	(4,195,369.99)	-20.5%	\$ 251,892,500.00	\$ 247,757,672.56	(4,134,827.44)	-1.6%
Motor Vehicle Excise Tax	3,872,100.00	3,768,864.33	(103,235.67)	-2.7%	43,311,400.00	44,678,370.91	1,366,970.91	3.2%
Individual Income Tax	44,749,520.00	44,144,518.40	(605,001.60)	-1.4%	160,599,520.00	166,546,544.43	5,947,024.43	3.7%
Corporate Income Tax	11,352,000.00	13,009,258.28	1,657,258.28	14.6%	41,161,000.00	36,805,888.66	(4,355,111.34)	-10.6%
Insurance Premium Tax	200,000.00	118,949.67	(81,050.33)	-40.5%	13,160,000.00	14,225,335.20	1,065,335.20	8.1%
Financial Institutions Tax	1,441,000.00	2,375,968.00	934,968.00	64.9%	2,136,000.00	2,246,097.16	110,097.16	5.2%
Oil & Gas Production Tax	914,000.00	2,022,959.40	1,108,959.40	121.3%	8,968,000.00	15,487,446.93	6,519,446.93	72.7%
Gaming Tax	926,000.00	634,616.05	(291,383.95)	-31.5%	9,647,000.00	9,988,164.02	341,164.02	3.5%
Interest Income	471,000.00	679,591.30	208,591.30	44.3%	4,414,000.00	5,311,307.25	897,307.25	20.3%
Oil Extraction Tax	555,000.00	962,051.10	407,051.10	73.3%	5,456,000.00	9,879,025.95	4,423,025.95	81.1%
Cigarette and Tobacco Tax	1,620,000.00	1,703,124.24	83,124.24	5.1%	17,944,000.00	17,965,322.68	21,322.68	0.1%
Departmental Collections	4,550,000.00	4,653,388.00	103,388.00	2.3%	17,860,000.00	18,298,924.68	438,924.68	2.5%
Wholesale Liquor Tax	392,001.00	453,161.81	61,160.81	15.6%	3,789,609.00	3,941,067.87	151,458.87	4.0%
Coal Severance Tax	970,000.00	959,599.56	(10,400.44)	-1.1%	9,503,000.00	9,468,221.75	(34,778.25)	-0.4%
Coal Conversion Tax	1,026,000.00	1,059,273.43	33,273.43	3.2%	10,265,000.00	10,387,227.51	122,227.51	1.2%
Mineral Leasing Fees	199,760.00	372,853.46	173,093.46	86.7%	2,119,040.00	2,861,725.01	742,685.01	35.0%
Bank of North Dakota - Transfer					15,000,000.00	15,000,000.00	0.00	0.0%
State Mill and Elevator - Transfer								
Gas Tax Admin. - Transfer	172,576.00	172,576.00	0.00	0.0%	690,304.00	690,304.00	0.00	0.0%
Other Transfers		(34,620.61)	(34,620.61)	100.0%	1,700,000.00	1,858,646.44	158,646.44	9.3%
Total Revenues and Transfers	93,854,957.00	93,304,762.43	(550,194.57)	-0.6%	619,616,373.00	633,397,293.01	13,780,920.01	2.2%

COMPARISON TO PREVIOUS BIENNIUM REVENUES
1999-01 BIENNIUM
APRIL, 2000

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	April, 1998	April, 2000	Variance	Percent	1999	2001	Variance	Percent
Sales Tax	\$ 17,511,542.12	\$ 16,248,630.01	\$ (1,262,912.11)	-7.2%	\$ 225,277,125.34	\$ 247,757,672.56	\$ 22,480,547.22	10.0%
Motor Vehicle Excise Tax	2,747,717.72	3,768,864.33	1,021,146.61	37.2%	39,559,904.30	44,678,370.91	5,118,466.61	12.9%
Individual Income Tax	43,070,160.40	44,144,518.40	1,074,358.00	2.5%	153,983,021.45	166,546,544.43	12,563,522.98	8.2%
Corporate Income Tax	12,878,621.33	13,009,258.28	130,636.95	1.0%	50,134,517.74	36,805,888.66	(13,328,629.08)	-26.6%
Insurance Premium Tax	304.14	118,949.67	118,645.53	39010.2%	13,041,144.64	14,225,335.20	1,184,190.56	9.1%
Financial Institutions Tax	2,068,649.14	2,375,968.00	307,318.86	14.9%	2,820,635.03	2,246,097.16	(574,537.87)	-20.4%
Oil & Gas Production Tax	983,143.78	2,022,959.40	1,039,815.62	105.8%	13,416,210.31	15,487,446.93	2,071,236.62	15.4%
Gaming Tax	926,023.04	634,616.05	(291,406.99)	-31.5%	9,646,753.88	9,988,164.02	341,410.14	3.5%
Interest Income	510,038.97	679,591.30	169,552.33	33.2%	6,234,142.47	5,311,307.25	(922,835.22)	-14.8%
Oil Extraction Tax	459,285.15	962,051.10	502,765.95	109.5%	8,380,403.03	9,879,025.95	1,498,622.92	17.9%
Cigarette and Tobacco Tax	1,665,276.30	1,703,124.24	37,847.94	2.3%	18,791,142.88	17,965,322.68	(825,820.20)	-4.4%
Departmental Collections	1,092,342.39	4,653,388.00	3,561,045.61	326.0%	14,405,197.29	18,298,924.68	3,893,727.39	27.0%
Wholesale Liquor Tax	412,858.89	453,161.81	40,302.92	9.8%	4,368,248.63	3,941,067.87	(427,180.76)	-9.8%
Coal Severance Tax	964,335.98	959,599.56	(4,736.42)	-0.5%	9,319,686.07	9,468,221.75	148,535.68	1.6%
Coal Conversion Tax	1,044,502.41	1,059,273.43	14,771.02	1.4%	9,966,274.07	10,387,227.51	420,953.44	4.2%
Mineral Leasing Fees	218,661.14	372,853.46	154,192.32	70.5%	4,341,383.12	2,861,725.01	(1,479,658.11)	-34.1%
Bank of North Dakota - Transfer						15,000,000.00	15,000,000.00	100.0%
State Mill and Elevator - Transfer								
Gas Tax Admin. - Transfer	141,109.00	172,576.00			564,436.00	690,304.00	125,868.00	22.3%
Other Transfers	4,935,554.16	(34,620.61)	(4,970,174.77)	-100.7%	14,913,306.40	1,858,646.44	(13,054,659.96)	-87.5%
TOTAL REVENUES AND TRANSFERS	\$ 91,630,126.06	\$ 93,304,762.43	\$ 1,643,169.37	1.8%	\$ 599,163,532.65	\$ 633,397,293.01	\$ 34,233,760.36	5.7%

Revenue Variances

Sales tax collections fell short of projections in April by \$4.2 million or 20.5 percent. The shortfall appears to be timing since the end of the month fell on a week-end and sales tax collections for the first week of May were extremely strong. Biennium-to-date collections are \$4.1 million or 1.6 percent behind projections.

Motor vehicle excise tax collections fell behind projections by \$103,236 or 2.7 percent which brings biennium-to-date collections to \$1.4 million or 3.2 percent ahead of projections for the biennium.

Individual income tax collections fell short of projections by \$605,002 or 1.4 percent. Biennium-to-date collections are now \$5.9 million or 3.7 percent ahead of projections.

Corporate income tax collections continue to come back from a large shortfall earlier in the biennium. Collections for April exceeded projections by \$1.7 million or 14.6 percent, which brings biennium-to-date collections to \$4.4 million or 10.6 percent below projections.

Oil and gas production tax collections exceeded revenue projections in May by \$1.1 million or 121.3 percent. Oil extraction tax collections exceeded projections by \$407,051 or 73.3 percent. Biennium-to-date collections for the two oil taxes combined are now nearly \$11 million ahead of projections.



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